

**MEDICAID FOR EMPLOYEES WITH DISABILITIES (M.E.D. Works)
COUNCIL REPORT PURSUANT TO IC 12-15-42-13**

1. BACKGROUND

During the 2001 Legislative Session, the Indiana General Assembly passed House Enrolled Act 1950 which mandated the creation of a new Medicaid program for persons with disabilities who are employed. Medicaid for Employees with Disabilities (M.E.D. Works) allows working individuals with incomes too high for regular Medicaid to be eligible for health coverage. M.E.D. Works members whose income is more than 150% of the federal poverty level are charged a premium on a sliding-fee scale based on income. These individuals receive the full-range of traditional Medicaid-covered services and pay the same co-payments for certain services.

The law also created the Medicaid Work Incentives Council. The purposes of the Council are: (1) to assist the Office of Medicaid Policy and Planning (OMPP) in developing a coordinated and aggressive state policy to bring adults with disabilities into gainful employment through M.E.D. Works; and (2) to support the goals of equality, opportunity, full participation, independent living, and economic self-sufficiency for individuals with disabilities. The Council has been instrumental in assisting the OMPP in developing policies to implement the program consistent with the goals outlined above.

In the months following the passage of HEA 1950, the OMPP worked steadily to put the necessary structures into place for the new program. The first participants began enrolling in July of 2002.

The law also required that the OMPP apply for a Medicaid Infrastructure Grant (MIG). The purpose of this grant, as designed by Centers for Medicaid and Medicare Services (CMS), is to assist States in developing infrastructures to support the competitive employment of people with disabilities by facilitating targeted improvements to States' Medicaid programs. CMS hopes to promote the removal of barriers to employment of persons with disabilities by creating health systems change through the Medicaid program and promote the availability of personal assistance services necessary for many people to work.

HEA 1950 which created the M.E.D. Works program mandates in Section 13 that the Work Incentives Advisory Council provide a report to the Governor and the Legislative Council by December 1, 2002 that evaluates the feasibility of: (1) establishing a program to collaborate with and subsidize employer sponsored healthcare coverage under a Medicaid Buy-In program; and (2) providing personal care assistance services to individuals participating in a Medicaid Buy-In Program. This report is being submitted pursuant to this legislative mandate.

2. MEDICAID INFRASTRUCTURE GRANT

In June 2002, the Office of Medicaid Policy and Planning submitted an application to the Center for Medicaid and Medicare Services (CMS) for a Medicaid Infrastructure Grant (MIG). The Council was instrumental in the development of the grant application and the feasibility evaluations required by the Indiana General Assembly were specifically addressed in the grant application.

OMPP is currently negotiating with CMS the terms and benchmarks of the grant award. The grant will provide OMPP with a minimum of \$500,000 per year for up to four years. It is the OMPP and the Council's intent that portions of the grant award will be specifically utilized for a more in-depth evaluation of the feasibility of collaborating with and subsidizing employer sponsored plans as well as the feasibility of providing personal care services for M.E.D. Works recipients.

3. FEASIBILITY EVALUATIONS PURSUANT TO IC 12-15-42-13

3.1 Evaluating the feasibility of collaborating with and subsidizing employer-sponsored plans

As a first step in meeting this requirement the OMPP and the Council have identified a number of activities that would assist in making a comprehensive evaluation of collaborating with and subsidizing employer-sponsored plans. Funding from the grant will support these activities. A copy of the MIG application is attached for your reference. These activities include but are not limited to:

- ❑ Creating an integrated, comprehensive system of employment-related services that would assist in providing data to conduct a feasibility-evaluation, and
- ❑ Gathering data such as utilization of Medicaid services by Medicaid recipients who are working or are seeking-employment.

OMPP understands that one of the long-term goals of programs like M.E.D. Works is to help move people off Medicaid altogether. In order to facilitate this long-term goal, the OMPP plans to actively engage the employer community. The OMPP has identified partners in this effort including Indiana Work One (Department of Workforce Development), the local Work Incentives Boards, and Vocational Rehabilitative Services.

Employers need to understand the program and other work incentives available to people with disabilities. As such, the Council and OMPP will develop and implement a plan to disseminate information and engage the business community in outreach efforts (e.g., workshops, conferences, and publications). The grant will also support plans to explore the best ways to collaborate with employers not only to explore options for subsidizing employer sponsored healthcare coverage, but also to encourage hiring of people with disabilities by identifying and creating a mechanism designed to link

business representatives in the community with information and resources, and promote efforts for an inclusive workforce.

3.2 Evaluating the feasibility of personal assistance services for M.E.D. Works recipients

One of the major CMS priorities with this Medicaid Infrastructure Grant program is to increase the availability of personal assistance services throughout the states. Personal assistance services are defined as: “A range of services, provided by one or more persons, designed to assist an individual with a disability to perform daily activities on or off the job that the individual would typically perform if the individual did not have a disability. Such services shall be designed to increase the individual’s control in life and the individual’s ability to perform activities on and off the job.” (Ticket to Work and Work Incentives Improvement Act of 1999, Pub. L. No. 106-170, 203 (b)(2)(B)(ii)).

States that have received the Medicaid Infrastructure Grant from CMS with full eligibility (4 years of funding) have generally provided personal assistance services as a State Medicaid Plan service. Although Indiana currently does not offer personal assistance services as a Medicaid State Plan option, these services are available to individuals enrolled in home and community-based waivers and individuals receiving CHOICE-funded services. Individuals enrolled in M.E.D. Works can also be enrolled in home and community based waivers and thereby access such services. Currently there are 3,085 M.E.D. Works enrollees. Of this total 1,499 are also enrolled in home and community-based waivers and therefore have access to personal care services based on need as identified in their plans of care.

Within the Infrastructure Grant application, OMPP has outlined plans to enhance personal assistance services available for individuals with disabilities in the State of Indiana through the home and community-based waivers. In addition, a needs assessment study will be conducted to provide OMPP with comprehensive data on personal assistance service utilization by Medicaid recipients with disabilities. This will assist the OMPP in determining the fiscal impact of adding personal assistance services as a State Plan option. The findings of this study will be available in a report at the end of the first year of the Medicaid Infrastructure Grant.

3. CONCLUSION

The first few months of the new M.E.D. Works program have been very successful. Enrollment continues to grow as members of the disabled population seek employment. Clearly, HEA 1950 addressed a great need in Indiana’s disabled community.

The efforts and activities outlined in this report will be supported by the grant and will be initiated in the first year of the grant (beginning January 2003¹). The Council will be actively involved in MIG activities. Council workgroups have been formed to assist

¹ OMPP is awaiting final decision from CMS.

the OMPP in carrying out the requirements under the grant described above. These activities are instrumental in conducting a comprehensive feasibility study of collaborating and subsidizing employer-sponsored plans as well as the feasibility of providing personal assistance services to M.E.D. Works Recipients.

As the program progresses, and with the assistance of the Medicaid Infrastructure Grant, OMPP will continue to pursue the goals of removing barriers to work for people with disabilities and ultimately moving them off of Medicaid entirely.